

June 18, 2013

RECEIVED

JUN 20 2013

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40602

RE: Equitable Gas Company, LLC
Case No.
GCR Filing Proposed to Become
Effective August 1, 2013

Dear Mr. Derouen:

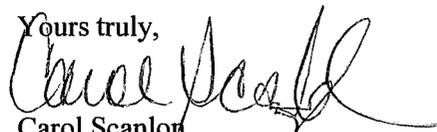
Enclosed are an original and ten copies of Equitable Gas Company, LLC's (Equitable) Gas Cost Recovery (GCR) filing for the calendar quarter ended April 30, 2013, for rates proposed to become effective August 1, 2013. Also included are an original and ten copies of One Hundred Forty-Third Revised Sheet No. 2 and One Hundred Thirty-Fifth Revised Sheet No. 5, to Equitable's PSC Kentucky No. 1 Tariff, which are being filed pursuant to the Purchased Gas Adjustment Provision of that Tariff.

This filing proposes a GCR rate of \$4.7446 per Mcf of sales, a decrease of \$0.4538 per Mcf from the current PGA, which was approved in Case No. 2013-00111 effective May 1, 2013.

For the purpose of forecasting its Expected Gas Cost (EGC), Equitable is assuming purchases based on the Appalachian Index price of gas for Columbia Transmission. This price is developed by averaging the estimated cost of gas over 3 months beginning August 2013.

Schedule 1 of the filing is a summary of the proposed PGA rate components. Schedule 2 is a summary of the expected gas costs based on purchases for the 12 months ended April 2013. Schedule 3 is a listing by month of Equitable's sales to its customer's for the 12 months ended April 2013. Schedules 4 and 5 are summaries of ACA components, which are presently unreconciled.

Yours truly,



Carol Scanlon
Manager, Rates

CS/jcm
Enclosures

EQUITABLE GAS COMPANY, LLC
225 NORTH SHORE DRIVE
PITTSBURGH, PA 15212-5861

ONE HUNDRED FORTY-THIRD REVISED SHEET NO. 2
CANCELING
ONE HUNDRED FORTY-SECOND REVISED SHEET NO. 2
P.S.C.K.Y. NO. 1

RATE

Customer: Various

Expiration: See "Special Conditions"

Point of Delivery:

At connection along Kentucky West Virginia Gas Company's well connection and gathering system in Eastern Kentucky included in Equitable Gas Company's service area.

Rate:

Customer Service Charge: \$7.50

	<u>Base Rate</u>	+	<u>Gas Cost Recovery Rate*</u>	=	<u>Total Rate</u>	
All Mcf	\$2.1322		\$4.7446 per MCF		\$6.8768	(R)

The minimum monthly bill shall be \$7.50.

*The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 4 and 5 of this tariff.

The following adjustment shall be made to the above rates:

- (1) Customer bills may also include gross receipts license taxes as authorized under the Kentucky Education Reform Act of 1990.

Gas delivered pursuant to this tariff is from pipelines owned and operated by Equitable Gas Company's supplier and all gas sold hereunder is made available by said supplier. Equitable shall have the right to abandon gas service to any customer served from any line which is no longer operated by its supplier for any reason whatsoever. All gas sold and delivered under this Tariff shall be delivered at the varying pressures of Equitable's supplier's pipeline, and it shall be the responsibility of the customer to supply, maintain, and operate the necessary regulator and related equipment for the customer's use.

(R) Indicates Reduction.

ISSUED: June 18, 2013
EFFECTIVE: August 1, 2013

WILLIAM R. LUCAS
PRESIDENT

Issued By: _____
Carol A. Scanlon
Manager, Rates

PURCHASED GAS ADJUSTMENT CLAUSE
(Continued)

Definitions

For purposes of this tariff:

- a. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased gas volumes during the twelve-month period ending with the reporting period to which the GCR will apply, divided by the corresponding sales volume. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.
- b. "GCR" means the quarterly updated gas cost recovery rate and is the sum of the expected gas cost component plus the supplier refund adjustment plus the actual cost adjustment plus the balancing adjustment; i.e., $GCR = EGC + RA + ACA + BA$.
- c. "Calendar Quarters" means each of the four three-month periods of (1) February, March, and April; (2) May, June, and July; (3) August, September, and October; (4) November, December, and January.
- d. "Reporting Period" means the three-month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas cost recovery rates; i.e., the calendar quarters ended April 30, July 31, October 31, and January 31 of each year.

Gas Cost Recovery Rate (GCR):

Expected Gas Supply Cost (EGC)	5.3616	(R)
Refund Adjustment (RA)	0.0000	
Actual Cost Adjustment (ACA)	(0.4452)	(I)
Balance Adjustment (BA)	<u>(0.1718)</u>	(R)
Total Gas Cost Recovery Rate per Mcf	4.7446	(R)

(I) Indicates Increase. (R) Indicates Reduction.

ISSUED: June 18, 2013
EFFECTIVE: August 1, 2013

WILLIAM R. LUCAS
PRESIDENT

Issued By: _____
Carol A. Scanlon
Manager, Rates

Equitable Gas Company, LLC
Kentucky Division

Summary of Proposed Tariff Rates

	<u>Current Tariff Rate</u>	<u>Current GCR Rate</u>	<u>Proposed GCR Rate</u>	<u>Difference</u>	<u>Proposed Tariff Rate</u>
	(1)	(2)	(3)	(4)	(5)
	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf
	(a)	(b)		(3) - (2)	(1) + (4)
All MCF	7.3306	5.1984	4.7446	(0.4538)	6.8768

(a) Non-Gas Rate approved by the Commission at Case No. 2003-00411.

(b) Rate approved by the Commission at Case No. 2013-00111.

Equitable Gas Company, LLC
Kentucky Division

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period Aug 1, 2013 through Oct 31, 2013

Line No.	Units (1)	Amount (2)
<u>GCR Components</u>		
1	Expected Gas Cost (EGC)	\$/Mcf 5.3616
2	Supplier Refund (RA)	\$/Mcf 0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf (0.4452)
4	Balance Adjustment (BA)	\$/Mcf (0.1718)
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf <u>4.7446</u>
<u>Expected Gas Cost Calculation (EGC)</u>		
6	Total Expected Cost of Gas	\$ 1,142,180 (a)
7	Total Annual Sales	Mcf <u>213,028</u> (b)
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf <u>5.3616</u>
<u>Supplier Refund Adjustment Summary</u>		
9	Current Quarter Refund Adjustment	\$/Mcf 0.0000 (c)
10	Previous Quarter Refund Adjustment	\$/Mcf 0.0000 (d)
11	2nd Previous Quarter Refund Adjustment	\$/Mcf 0.0000 (e)
12	3rd Previous Quarter Refund Adjustment	\$/Mcf <u>0.0000</u> (f)
13	Supplier Refund Adjustment (RA)	\$/Mcf <u>0.0000</u>
<u>Actual Cost Adjustment Summary</u>		
14	Current Quarter Adjustment	\$/Mcf (0.0654) (g)
15	Previous Quarter Adjustment	\$/Mcf (0.4421) (d)
16	2nd Previous Quarter Adjustment	\$/Mcf (0.0258) (e)
17	3rd Previous Quarter Adjustment	\$/Mcf 0.0881 (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf <u>(0.4452)</u>
<u>Balance Adjustment Summary</u>		
19	Current Quarter Adjustment	\$/Mcf (0.0177) (h)
20	Previous Quarter Adjustment	\$/Mcf (0.0640) (d)
21	2nd Previous Quarter Adjustment	\$/Mcf (0.0641) (e)
22	3rd Previous Quarter Adjustment	\$/Mcf (0.0260) (f)
23	Balance Adjustment (BA)	\$/Mcf <u>(0.1718)</u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during February 2013 through April 2013.

(d) As approved in Case No. 2013-00111.

(e) As approved in Case No. 2012-00584.

(f) As approved in Case No. 2012-00432.

(g) See Schedule 4.

(h) See Schedule 5.

Equitable Gas Company, LLC
Kentucky Division

Calculation of Expected Gas Cost Based on Purchases
for the Twelve Months Ended April 2013 At Supplier
Costs Estimated to Become Effective August 1, 2013

	<u>Purchases</u> (1) Mcf	<u>Purchases</u> (2) Dth	<u>Average Rate</u> (3) \$/Dth (a)	<u>Annual Cost</u> (4) \$ (2) x (3)
<u>PURCHASES</u>				
1 May 2012	3,901	12,012	4.9457	59,408
2 June	3,893	(39)	4.9457	(193)
3 July	2,736	5,433	4.9457	26,870
4 August	3,376	4,149	4.9457	20,520
5 September	6,150	3,865	4.9457	19,115
6 October	18,164	9,896	4.9457	48,943
7 Novemeber	25,713	22,531	4.9457	111,432
8 December	29,177	32,580	4.9457	161,131
9 January 2013	38,509	49,564	4.9457	245,129
10 February	33,638	45,919	4.9457	227,102
11 March	33,850	30,050	4.9457	148,618
12 April	13,922	14,984	4.9457	74,106
13 Total	<u>213,028</u>	<u>230,944</u>	<u>-</u>	<u>1,142,180</u>

- (a) Estimated average rate based on average Nymex prices plus TCO basis for a 3 month period, plus \$0.72065/Dth VTS Rate from Kentucky West Virginia Gas Company, and adjusted for 11% retainage.

Equitable Gas Company, LLC
Kentucky Division

Summary of Sales

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Sales</u> (1) Mcf
1	May 2012	3,901
2	June	3,893
3	July	2,736
4	August	3,376
5	September	6,150
6	October	18,164
7	Novemeber	25,713
8	December	29,177
9	January 2013	38,509
10	February	33,638
11	March	33,850
12	April	13,922
13	Total	<u>213,028</u>

Equitable Gas Company, LLC
Kentucky Division

Calculation of Actual Cost Adjustment for the Period
February 2013 through April 2013

<u>Description</u>	<u>Unit</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Dth	38,934	35,275	21,969	96,178
2 Supply Cost Per Books	\$	169,530	171,480	109,153	450,164
3 Sales Volume (c)	Mcf	(2,801) 36,439	33,850	13,922	81,410
4 EGC Rate in Effect (a), (c)	\$/Mcf	5.3977			
EGC Rate in Effect (b), (c)		5.6906	5.6906	5.6906	
5 EGC Revenue (Line 3 x Line 4)	\$	192,241	192,627	79,222	464,090
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	22,711	21,147	(29,931)	13,926
7 Total Current Quarter Actual Cost to be included in rates					13,926
8 Sales for the 12 Months Ended April 2013					213,028
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.0654)

(a) Approved in Case No. 2012-00432.

(b) Approved in Case No. 2012-00584.

(c) February pro-rated for rate change.

Equitable Gas Company, LLC
Kentucky Division

Calculation of Balancing Adjustment for
Over/(Under) Recoveries of Gas Cost Incurred
During the Twelve Month Period Beginning May 2012

	<u>Sales</u>	<u>ACA</u> <u>Rate</u>	<u>ACA</u> <u>Recovery</u>	<u>Over/(Under)</u> <u>Collection</u> <u>Balance</u>
	(1)	(2)	(3)	(4)
	Mcf	\$/Mcf	\$	\$
			(1) x (2)	
Balance Approved by the Commission in Case No. 2012-00111.				113,618
<u>Actual</u>				
May 2012	6,768	(0.5113)	(3,460)	110,158
June	3,893	(0.5113)	(1,991)	108,168
July	2,635	(0.5113)	(1,347)	106,820
August	3,477	(0.5113)	(1,778)	105,043
September	6,150	(0.5113)	(3,145)	101,898
October	14,753	(0.5113)	(7,543)	94,355
Novemeber	29,124	(0.5113)	(14,891)	79,464
December	29,177	(0.5113)	(14,918)	64,546
January 2013	35,708	(0.5113)	(18,258)	46,288
February	36,439	(0.5113)	(18,631)	27,657
March	33,850	(0.5113)	(17,307)	10,349
April	12,875	(0.5113)	(6,583)	3,766
 Total	 <u>214,848</u>		 <u>(109,852)</u>	
 Estimated Annual Sales				 213,028 Mcf
Balancing Adjustment (\$3,766 ÷ 213,028 Mcf)				(\$0.0177) /Mcf